App. F. IX-4

Previous References 1933 (G.M.) File No. 9-33 Serial Nos. 4, 5

Later References G.M. 9-33 (6 & 8) preserve (P.W.D.)

General and Revenue Secretariat.

Serial Nos. Two

Part B for NOV. 33

SUBJECT.

Re- Permission to the President D.N. Bank to issue balance of 1st Series of Debentures ~~for~~ at 4½%

(S.C.S.) To the Secretary to the President D.N. Bank.
" Comptroller of this Fd
No. D 2375-7 of 17/11/33.

With reference to the issue of the balance of debenture at 4½% interest instead of at 5%

W.A. Rahman
23/11/33

REPLY 1419

(To be written on this margin.)

OFFICE OF THE
FIRST MEMBER OF COUNCIL.

NOTE.

Dated.....31st...October....*193*3.

With reference to our discussions yesterday, I want the question ~~of the~~ issue of the balance out of the original Rs.3 lakhs for the first series of debentures being now issued to the public at 5 per cent, to be further considered. If the Bank can get money at 4½ per cent why ~~does~~ it receive money at Rs.5 for Rs. 105, that is, why ~~it~~ should pay 4¾ for every Rs.100 received.

Financial Secretary,
with compliments.

It is ascertained that the last year of repayment of the debentures is 1960, though the Bank has the option of repaying the debentures after 10 years in lots. If ~~the~~ the full value for this long term has to be realized from the premium derived by the present sale of the 5 per cent bonds to secure a 4½ per cent rate of return ~~for the long period~~, we have to realize ~~at least~~ a minimum of Rs 107½ for a bond of Rs 100/- by the sale of such debentures. It may not be possible under present market conditions to get such a high rate of premium for these local debentures. All things considered, I think it is better to issue the debentures at par at 4½ per cent ~~to avoid unnecessary loss to the Bank~~, by tacking them on to the second series.

1.11.33

(1st Member)

2.11.33

3/11

4.11.33

General and Revenue Secretariat

[illegible] of 193

Serial No.

Do D 2017

1.11.33.

Dear Sir,

Anent the subject discussed in the chambers of the first member of Council on the 24th of Oct. I am to write to you to say that the question of taxing or not the balance of the first issue of Debentures at 5%. is being examined further and that the decisions we had come to [illegible] about it may not be regarded as final

Yours truly

[illegible]

Registrar Bombay H. R. Commission by.

Private L. M. Bell

1/11

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

D 161

[App. F. III—2

General and Revenue Secretariat

File No:

of 193

Serial No.

Issue [illegible] to the effect that the balance of the 3 Cattle Subsidies of the first fair shall be issued at 4½ p.c. int.

Genl. 3.11.33 Secy 3/11

In S.B.P.

Please attend to this & put up a draft KD 3.11.33

A draft is put up

no KD 3/11 —

For approval.

Dev: Secy) Secy 3/11

A rep. has been received today. That may be worked up.

Genl. 4.11.33 Secy 6/11

Draft revised and put up

no 14/11 KD. — For approval.

Dev: Secy) Secy 14/11

Genl. 14.11.33 Issue Secy 15/11

TYPING SECTION 15 NOV 1933 GENL. & REV.

H. Genl: 828 Breeder-Agricultural Subsidy.

ESP 17/11

Issue 17.11.33.

Issued

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

1639

File No. of 193 General and Revenue Secretariat

To The Regr., C. S., in Mysore,
" President, L. M. Bank,
" Comptroller & Govt., Thro' the H. Secy.
No. D. 2375-7 & 17.11.1933.
Directs the issue of the balance of debentures
at 4½% interest in lieu of at 5%.

5

93
17/11

DEVELOPMENT

No. a 5

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address : "CO-OPERT" BANGALORE.

L.M.2-33-4. Dated, Bangalore, November 1933.

1639 GEN. & REV. SEC.

DEVELOPMENT BRANCH

From

GULAM MOHADIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

S.Abdul Wajid,Esq., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

I have the honour to forward,herewith,letter No.S.I.112 dated 23rd October 1933 addressed to you received from the President, The Mysore Co-operative Land Mortgage Bank,Ltd.,Bangalore City, requesting sanction of Government for throwing open to the public the whole of the balance of debentures still remaining viz., Rs.80,200/- out of the sum of one lakh of rupees which Government agreed to take up in the first issue of debentures in Government Order No.G.12215-6/L.M.21-29-2 dated 11th April 1930 and to recommend that in the circumstances mentioned by the President of the Bank, the request of the Bank may be favourably considered.

I further beg to propose the cancellation of the issue of debentures at 5% for the balance not subscribed for out of the first series and their issue at 4½ per cent in the second series of debentures carrying 4½ per cent as the rate of interest has since fallen down further.

I have the honour to be,
Sir,
Your most obedient servant,

M. G.

Registrar.

3/11.

WHILE REPLYING PLEASE REFER TO
NO. S.I. 112/ with a spare copy

BANGALORE CITY,

DATED 23rd October 1933

From

Rajasabhabhushana K. R. SRINIVASIENGAR, Esq., M.A.,

President, The Mysore Co-operative Land Mortgage Bank, Ltd.,

BANGALORE CITY.

To

The Secretary to the Government of
His Highness The Maharaja of Mysore,
Development Department, BANGALORE.

(Through: The Registrar of Co-operative Societies in Mysore, BANGALORE).

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES MYSORE 8(2177) 27 OCT 1933

Sir,

In inviting kind reference to correspondence ending with Government Order No.D.6529-34/L.M. 6-32-11 dated 20th June 1933 in the matter of subscriptions to the first series of debentures floated by this Bank in 1930, I have the honour to state that Government, in their Order No.D.5091-3/L.M. 3-32-3 dated 8th April 1933, were pleased to approve of my proposals to throw open to the public the unsubscribed balance of Rs.1,17,300 out of the sum of 3 lakhs for which the issue of debentures had been sanctioned by Government, the issue of debentures to Government being restricted to any deficiency not exceeding one lakh in the required amount. Subsequently, however, Government in their order of 20th June 1933 referred to above, were pleased to direct, in modification of the order of 8th April, that debentures for only Rs.17,300 may be thrown open to the public, at as high a premium as may be possible to obtain therefor and that for the remaining sum of one lakh to be subscribed by Government, they will take up the debentures and pass them on to religious and charitable endowments which are seeking investment of funds. In accordance with this order, debentures for Rs.10,000 have been issued to the public at a premium of 2% and I am negotiating with some of the share brokers for an increase in the premium. In respect of the debentures to be issued to Government, the intention

of the Government, as judged from the wording of the order, appears to be that they should be issued at par. Accordingly debentures for Rs.19,300 have already been issued at par to the Comptroller on behalf of Government; and he has been pressing for the issue of debentures for a further sum of Rs.14,500/- which has been till now advanced by Government from the Treasury for the grant of loans to the members of the Bank.

2. I respectfully beg to submit for the consideration of Government that the issue of the debentures to the Government at par while they are issued at a premium to the private subscribers will entail a loss of Rs.2,000 to the Bank at the rate of even ~~Rx2x222~~ Rs.2/- per bond which is the rate of premium now realised by it; and it will be much more, if the premium is increased, as there is every hope of its being done. It is hardly fair to the Bank that the religious and other charitable institutions on whose behalf the Government propose to take up the debentures should be made to benefit at the expense of the Bank which is still in an infant stage and requires therefore all possible financial help from Government and the public. Moreover, in view of the fact that the Bank has to depend on the Government for making up any shortage in its income required to meet its working expenses, any additional income which the Bank may obtain by the issue of its debentures at a premium will be to the advantage of Government themselves as it will permit of a corresponding reduction being made in the Government grant towards the working expenses of the Bank. The object of the Government in offering to subscribe to the debentures of the Bank up to a certain limit was evidently to encourage and help the Bank and not to derive any advantage therefrom for themselves or for any institutions under their control to the detriment of the Bank's interest.

In the above circumstances, I request (i) that as directed

directed by Government in their first order dated 8th April 1933 referred to above, the Bank may be permitted to throw open to the public the whole of the balance of debentures still remaining out of the sum of one lakh which the Government had agreed to take up, the issue of debentures to Government being restricted to any deficiency in the required amount; and (ii) that, in respect of any debentures which the Government may desire to take up on behalf of and for the purpose of transferring to Muzrai or other charitable institutions &c., the Bank may, instead of issuing them at par, be allowed to charge the same rate of premium as is realised by it on the debentures issued to the public.

I have the honour to be,

Sir,

Your most obedient servant,

PRESIDENT

lwd.

G. R. S. App. F VI—G 2]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section L. M

File No. 2.33

Serial No. 5

General and Revenue Secretariat

( )

the *193* .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 17/11/1933

Signed by M. Seshan.

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

Read—

1. G.O. No. G. 122 15-8/L.M 21-29-2 dt 11.4.1930, authorizing the Mysore Cooperative Land Mortgage Bank to issue debentures to the extent of Rupees three lakhs, the Govt. taking up debentures of the value of Rs 1 lakh.

2. Correspondence ending with ~~Order thereon~~ No G.O. No. B 65 29-34/L.M-6-32-11 dt 20.6.33, directing the throwing open to the public of the balance of debentures available for issue at 5% interest.

3. Correspondence ending with letter No. 2825 CS dt 4.11.33 from the Registrar of CS recommending the request

p.u.d.

14/11/33

the President of the L.M. Bank
to open to the public the whole
the balance of the first series
debentures (still remaining out of the sum of one lakh of rupees
which Govt agreed to take up
in the first instance)
and to issue the
same at 4½% interest.

3. Para 2 of u.o. note No. 962 S.L
24.10.1933 from the Comptroller
requesting that against the
sum of Rs 3 lakhs, the Bank has
utilized an sum of Rs 2,32,700/-
& that the balance of Rs 67,300
expected to be utilized very
soon.

* In file re issue of 2nd series debentures separately now

Order No. D 2375 - F & 17/11/33

The balance of the 1st
series of debentures will unissued
may be issued at 4½%
interest instead of at 5%.

MW.

Sd/- Devadas
14/11

To the Registrar

Pres. L.M. Bank

Comptr. & Govt. Trustee

List of Enclosure

Copied by

Examined by

WD 0254—GPB—10,000—23-8-32

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Government Order No.G.12215-8/L.".21-29-2 dated 11th April 1930, authorizing the Mysore Co-operative Land "ortgage Bank to issue debentures to the extent of Rupees three lakhs, the Government taking up debentures of the value of Rs.1/- lakh.

2. Correspondence ending with Government Order No.D. 6529-34/L.D.6-32-11 dated 20th June 1933, directing the throwing open to the Public of the balance of debentures ~~xxx~~ available for issue at 5% interest.

3. Correspondence ending with letter No.2825 C.". dated 4th November 1933, from the Registrar of Co-operative Societies recommending the request of the President of the Land "ortgage Bank to throw open to the Public the whole of the balance of the first series of debentures still remaining out of the sum of one lakh of rupees which Government agreed to take up in the first instance and to issue the same at 4½% interest.

3. Para 2 of Un-official Note No.962/3.L. dated 24th October 1933, from the Comptroller to Government, reporting that against the sum of Rs.3 lakhs, the Bank has realized a sum of Rs.2,32,700/- and that the balance of Rs.67,300/- is expected to be utilized very soon.

ORDER NO. D 2375-7/L.M. 2-33-5

Dated, Bangalore, the 16th November 1933.

The balance of the 1st series of debentures still

still unissued may be issued at 4½% interest instead of at 5%.

Mallikarjunaiah

for Secretary to Government,
Development Department.

To

The Registrar of Co-operative Societies in Mysore.
" President, Land Mortgage Bank.
" Comptroller to Government, through the Financial Secretariat.

D.D.7/16-11.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Government Order No.G.12215-8/L.M.21-29-2 dated 11th April 1930, authorizing the Mysore Co-operative Land Mortgage Bank to issue debentures to the extent of Rupees three lakhs, the Government taking up debentures of the value of Rs.1/- lakh.

2. Correspondence ending with Government Order No.D. 6529-34/L.M.6-32-11 dated 20th June 1933, directing the throwing open to the Public of the balance of debentures xxx available for issue at 5% interest.

3. Correspondence ending with letter No.2825 C.C. dated 4th November 1933, from the Registrar of Co-operative Societies recommending the request of the President of the Land Mortgage Bank to throw open to the Public the whole of the balance of the first series of debentures still remaining out of the sum of one lakh of rupees which Government agreed to take up in the first instance and to issue the same at 4½% interest.

3. Para 2 of Un-official Note No.962/S.L. dated 24th October 1933, from the Comptroller to Government, reporting that against the sum of Rs.3 lakhs, the Bank has realized a sum of Rs.2,32,700/- and that the balance of Rs.67,300/- is expected to be utilized very soon.

ORDER NO. D 2375-7/L.M. 2-33-5

Dated, Bangalore, the 16th November 1933.

The balance of the 1st series of debentures still

still unissued may be issued at 4½% interest instead of at 5%.

Mallikarjunaiah

for Secretary to Government.
Development Department.

To

The Registrar of Co-operative Societies in Mysore.
" President, Land Mortgage Bank.
" Comptroller to Government, [illegible] the Financial Secretariat.

D.D.I./16-11.